

REMARKS

Claims 1-23 are currently pending in the subject application and are presently under consideration. Claims 11, 16 and 21 have been amended as shown on pages 2-5 of the Reply. The below comments present in greater detail distinctive features of applicants' claimed invention over the cited art that were conveyed to the Examiner over the telephone on September 26, 2007.

Favorable reconsideration of the subject patent application is respectfully requested in view of the comments and amendments herein.

I. Rejection of Claims 11-23 Under 35 U.S.C. §101

Claims 11-23 stands rejected under 35 U.S.C. §101 because the claimed invention is directed to non-statutory subject matter. This rejection should be withdrawn for at least the following reasons. The subject claims are directed to statutory subject matter.

In particular, the Examiner states the claimed subject matter includes an intangible medium. Claims 11, 16, and 21 have been amended herein to recite rendering or transforming the digitally encoded material. As such the claimed subject matter produces a useful, concrete tangible result while reciting functional descriptive material stored in computer memory and hence should be treated as a product (*See* MPEP 2106.01 (I) "When a computer program is recited in conjunction with a physical structure, such as a computer memory, USPTO personnel should treat the claim as a product claim."). In view of the above, this rejection is now believed to be moot and accordingly should be withdrawn.

II. Rejection of Claims 1-23 Under 35 U.S.C. §102(e)

Claims 1-23 stand rejected under 35 U.S.C. §102(e) as being anticipated by Levy, *et al.* (US 2002/0186844 A1). Withdrawal of this rejection is requested for the following reasons. The cited reference fails to disclose or suggest all aspects set forth in the subject claims.

A single prior art reference anticipates a patent claim only if it *expressly or inherently describes each and every limitation set forth in the patent claim*. *Trintec Industries, Inc. v. Top-U.S.A. Corp.*, 295 F.3d 1292, 63 USPQ2d 1597 (Fed. Cir. 2002); *See Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631,

2 USPQ2d 1051, 1053 (Fed. Cir. 1987). The *identical invention must be shown in as complete detail as is contained in the ... claim*. *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989) (emphasis added).

The claimed invention relates to protection and tracking of information distributed in electronic form. To this end, independent claim 1 recites *a method of storing digitally-encoded material, the method comprising: associating a unique identifier with the digitally-encoded material; and associating one or more built-in functions with the digitally-encoded material such that the unique identifier and the built-in functions are coupled to the digitally-encoded material, the built-in functions governing transforms and rendering of the digitally-encoded material*. Independent claims 6, 11, 16 and 21 recite similar features. Levy *et al.* is silent regarding such novel aspects.

Levy *et al.* relates to a method of performing digital asset management of content. The content is identified with a digital watermark, header file or both. The identifier is linked to usage rules maintained on a remote or local database, to regulate usage and protect the content. At page 3 of the Office Action, the Examiner contends that Levy *et al.* teaches such novel features. Applicant's representative avers to the contrary. In accordance with the subject invention, digital data is encoded, a unique identifier is created using an algorithm and the combination is encrypted using a strong encryption process. Built-in functions to perform transform and render operations on the file, like decrypt, copy, print, encrypt etc, are identified. Operations on the data can be performed only with the provided built-in functions and not with other similar functions. They also help in keeping records of the number of copies made, notifying the document originator that a copy has been made, prevent copies of files from functioning in different locations, document version control etc. A three component document, which is a combination of the encrypted data, unique identifier, and the built-in functions is then sold as a single entity. At the cited portions, Levy *et al.* discloses a digital watermark comprising a content identifier embedded within a content item or file header. The content identifiers are linked to external data, wherein the external data defines usage rights (Sec. paragraph [0026]). In contrast, applicant's claimed invention allows *coupling* built-in functions to the encoded data and storing them together, wherein the data can be rendered or transformed only with the provided built-in functions. Thus, Levy *et al.* is silent regarding *associating one or more built-*

in functions with the digitally-encoded material such that the unique identifier and the built-in functions are coupled to the digitally-encoded material, the built-in functions governing transforms and rendering of the digitally-encoded material as recited by the subject claims.

Accordingly, it is requested that this rejections with respect to independent claims 1, 6, 11, 16 and 21 (and the claims that depend from) be withdrawn.

CONCLUSION

The present application is believed to be in condition for allowance in view of the above comments and amendments. A prompt action to such end is earnestly solicited.

In the event any fees are due in connection with this document, the Commissioner is authorized to charge those fees to Deposit Account No. 50-1063 [MSFTP1150US].

Should the Examiner believe a telephone interview would be helpful to expedite favorable prosecution, the Examiner is invited to contact applicant's undersigned representative at the telephone number below.

Respectfully submitted,

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